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P. O. BOX 2088  
SANTA FE, NEW MEXICO 87504

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JAN 05 '88

5A. Indicate Type of Lease  
STATE ☒ FEDERAL ☐  
5. State Oil & Gas Lease No.  
LG-6685

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work ARTESIA, OFFICE		7. Unit Agreement Name Panther Hill Unit
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Panther Hill Unit Com
2. Name of Operator Yates Petroleum Corporation		9. Well No. 2
3. Address of Operator 105 South Fourth Street - Artesia, NM 88210		10. Field and Pool, or Wildcat Pecos Slope Abo
4. Location of Well UNIT LETTER L LOCATED 1650 FEET FROM THE South LINE AND 660 FEET FROM THE West LINE OF SEC. 25 TWP. 8S RGE. 23E NMPM		12. County Chaves
19. Proposed Depth 3700'		19A. Formation Abo
20. Rotary or C.T. Rotary		
1. Elevations (show whether DT, KT, etc.) 3685' GR	21A. Kind & Status Plug. Bond Blanket	21B. Drilling Contractor Undesignated
		22. Approx. Date Work will start ASAP

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24# J-55	Approx. 1200'	1200 sacks	Circulate
7-7/8"	4-1/2"	9.5# K-55	TD	350 sacks	

We propose to drill and test the Abo and intermediate formations. Approximately 1200' of surface casing will be set and cement circulated. If commercial, production casing will be ran and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel/LCM to 1200', brine to 3400', starch/driskpak to TD

BOP PROGRAM: BOP's will be installed at the offset and tested daily

GAS NOT DEDICATED

Test #1  
APR 2 88  
WELL UNDERWAY  
7/6/88

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Cliff R. May Title Regulatory Agent Date January 5, 1988

(This space for State Use)

Original Signed By  
Mike Williams

APPROVED BY Oil & Gas Inspector

CONDITIONS OF APPROVAL, IF ANY:

TITLE \_\_\_\_\_ DATE JAN 06 1988

3 5/8 casing

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

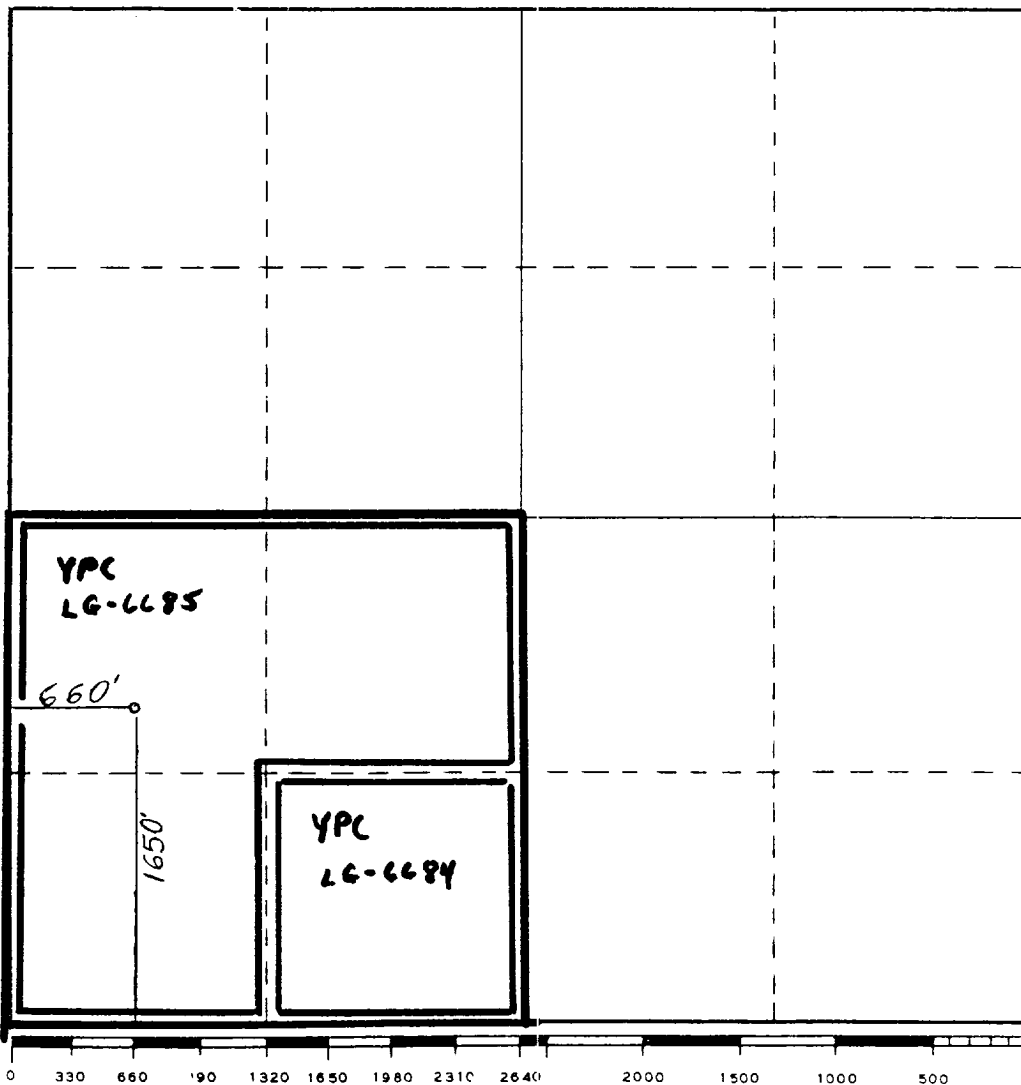
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>Panther Hill Com Unit Com</b>		Well No. <b>2</b>
Unit Letter <b>L</b>	Section <b>25</b>	Township <b>8 South</b>	Range <b>23 East</b>	County <b>Chaves County, N.M.</b>	
Actual Footage Location of Well: <b>1650</b> feet from the <b>South</b> line and <b>660</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3685.</b>	Producing Formation <b>Abo</b>		Pool <b>Wichita Recos Seeps Abo</b>		Dedicated Acreage: <b>160</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes    ☐ No    If answer is "yes," type of consolidation **TO BE COMMUNITIZED**

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



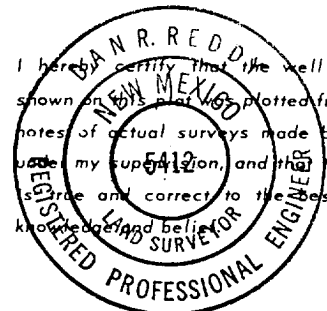
**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Clifton R. May*

Name <b>Clifton R. May</b>
Position <b>Regulatory Agent</b>
Company <b>Yates Petroleum Corporation</b>
Date <b>January 5, 1988</b>

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same are true and correct to the best of my knowledge and belief.



Date Surveyed <b>December 18, 1987</b>
Registered Professional Engineer and/or Land Surveyor <i>Dan R. Reddy</i>
Certificate No. <b>NM PE&amp;LS NO. 5412</b>

# EXHIBIT B

## BOP DIAGRAM

RATED 3000<sup>#</sup>

